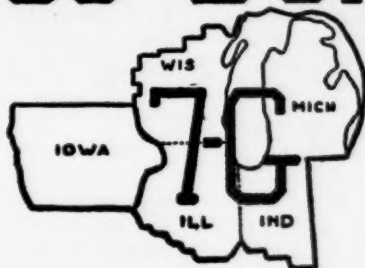


BUSINESS CONDITIONS

SEVENTH
FEDERAL



RESERVE
DISTRICT



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General Summary

SEASONAL factors stimulated activity during March in Seventh district manufacture and merchandising of commodities, but with the exception of one or two food-producing lines, conditions have not as yet shown betterment over the early months of 1930, although differences are becoming smaller in some instances.

Department store sales and chain store trade recorded seasonal improvement in March over the preceding month, as did various phases of wholesale distribution. Manufacturing lines showing increased output included automobiles, iron and steel, steel and malleable castings, furniture, and leather and shoes. Building contracts awarded in the district recorded an unusually large gain for the month, and the decline from a year ago in both residential and other building was small; distribution of building materials likewise reflected seasonal expansion. Further improvement took place in employment in reporting manufacturing groups.

Weather conditions in recent weeks have given a more favorable aspect to agricultural conditions in the Seventh district. The winter wheat crop is in very good condition, though smaller than a year ago, while farm work is progressing satisfactorily and seeding is nearing completion. The marketing of wheat through primary centers was heavy during March, but that of corn and oats continued small. Production of butter and Wisconsin cheese expanded in March over February and that of meat declined, while as compared with March last year, butter and meat production showed a gain and cheese manufacture decreased; distribution of these commodities totaled larger than a month previous but with the exception of butter was smaller than a year ago.

Reporting member banks of the district recorded gains

in total loans and in investments between the middle of March and the middle of April, with a moderate increase in demand deposits and a substantial expansion in time deposits. Borrowings of member banks from the Federal Reserve Bank remained light. Changes in loan rates of Chicago banks have been negligible during recent weeks.

Credit Conditions and Money Rates

The principal changes in factors affecting member bank borrowing at the Reserve bank during the period March 18—April 15 were a substantial growth in demand for currency reflecting for the most part banking disturbances in some portions of the district, an excess of 25 million dollars in local Treasury expenditures over receipts, and a gain of about 23 millions in funds through inter-district settlements for commercial and financial transactions. The two factors last mentioned, coupled with a small increase in reserve bank float, were of sufficient magnitude to offset by a slight amount those making for increased borrowing—currency demand, and minor changes in other factors—so that member bank borrowing at the Reserve bank declined slightly more than one million dollars on April 15 as compared with March 18. The table below presents in detail the analysis of factors influencing the volume of member bank recourse to the Reserve bank.

FACTORS IN MEMBER BANK BORROWING AT THE FEDERAL RESERVE BANK OF CHICAGO

Changes between March 18 and April 15, 1931
(In millions of dollars)

Changes making for decrease in member bank borrowing:	
1. Excess of local Treasury expenditures over receipts.....	25.19
2. Funds gained through inter-district settlements for commercial and financial transactions.....	23.15
3. Increase in reserve bank float.....	1.51
Total.....	49.85
Changes making for increase in member bank borrowing:	
1. Increase in demand for currency.....	46.23
2. Increase in member bank reserve balances.....	0.92
3. Decrease in holdings of acceptances (local transactions).....	0.83
4. Increase in unexpended capital funds.....	0.38
5. Increase in non-member clearing balances.....	0.19
6. Sales of gold to industry.....	0.06
Total.....	48.61
Excess of changes making for decrease in member bank borrowing:	1.24
Absorption of this excess: Decrease in member bank borrowings (discounts for member banks).....	1.24

MEMBER BANK CREDIT

On April 15 total loans and investments of reporting member banks were 90 million dollars in excess of April 16, 1930, and since March 18 of this year had gained but slightly. Loans on securities on April 15 declined

FEDERAL RESERVE BANK OF CHICAGO, SELECTED ITEMS OF CONDITION

(Amounts in millions of dollars)

	CHANGE FROM			
	APRIL 15 1931	MARCH 18 1931	APRIL 16 1930	
Total Bills and Securities.....	\$116.0	\$+1.4	\$-5.3	
Bills Discounted.....	12.4	-1.2	-12.5	
Bills Bought.....	22.6	+2.7	-3.4	
U. S. Government Securities.....	81.1	0	+10.6	
Total Reserves.....	468.2	+53.1	-71.6	
Total Deposits.....	334.1	+3.2	-22.7	
Federal Reserve Notes in Circulation.....	212.5	+52.3	-54.8	
Ratio of Total Reserves to Deposit and Federal Reserve Note Liabilities Combined.....	85.6	+1.1*	-0.9*	

*Number of points.

about 120 millions from mid-April a year ago, and all other (commercial) loans by approximately the same amount. Investments showed a gain in the yearly comparison of more than 325 million dollars. Time deposit aggregates of reporting members increased over 140 million dollars from April 16, 1930, and net demand deposits totaled less by approximately 85 millions. Both types of deposits registered increases over March 18 this year.

A range of 3 to 5½ per cent was reported by six downtown Chicago banks as the prevailing rate April 15 on customers' prime commercial loans, whereas a month previous 3 to 6 per cent was given. The average rate earned on loans and discounts during the calendar month of March, as reported by these six banks, was 4.51 per cent, against 4.60 for February and 5.45 per cent in March a year ago. The prevailing rate on customers' prime commercial loans in Detroit on April 15 was 4½ to 5 per cent, as compared with 4½ to 5½ per cent in March, while the average rate earned during the month of March was 5.36 per cent, a decline of 7 points from the 5.43 reported in February; a year ago the item stood at 5.93 per cent.

Dealers' sales of commercial paper in the Middle West continued during March to aggregate less than half the customary volume for the month, being 2 per cent smaller than in February and 58 per cent under a year ago. Financing by means of commercial paper was in only moderate proportions during the period, but demand for this class of investment was fair to good. March selling rates ranged from 2¼ and 2½ per cent for low to 2¾ and 3¼ per cent for high; the greater portion of the sales was transacted at 2½ and 2¾ per cent. Outstandings of commercial paper in the Middle West declined to a new low level on March 31, being 11½ per cent less than at the end of February and 50 per cent below the corresponding date of 1930. Sales in the first half of April totaled approximately the same as for the corresponding period of March; there was little change recorded in either supply or demand. Rates closed on April 15 at 2¼ per cent for low and 2¾ to 3¼ per cent for high, with a preponderance of the paper moving at 2¼ to 2¾ per cent.

Local purchases of bills by dealers in the Chicago bill market declined to a low level during the five weeks ended April 15, but the total supply expanded and was in moderate volume, local purchases being greatly augmented by rather liberal receipts of acceptances from Eastern markets. Average weekly sales increased over the preceding period, owing to an exceptionally active demand from local banks during the first half of April and to a fair inquiry from out-of-town banks. Shipments to Eastern markets aggregated less than from February 12 to March 11. Rates remained steady, closing on April 15 at 1½ per cent for 30-day offerings to 1¾ per cent for those of

180 days. Holdings were at an unusually low level on April 15.

AVERAGE WEEKLY TRANSACTIONS OF REPORTING DEALERS IN THE CHICAGO BILL MARKET

March 12, 1931 to April 15, 1931

PER CENT CHANGE IN COMPARISON WITH PERIOD FROM FEB. 12 TO MAR. 11 1931 MAR. 13 TO APRIL 9 1930

Bills purchased.....	-31.8	-79.7
Bills sold.....	+119.9	-36.1
Holdings*.....	-92.6	-98.7

*At end of period.

Bills in very substantial volume were executed by Seventh district accepting banks during March, aggregating, however, almost one-fourth less than a year ago. Purchases in March, following a sharp recession in February, rose to the level of January, and were heavy for this time of year, though below the corresponding period of 1930. Sales, nearly 70 per cent of which were bills of other banks, attained the highest level on record (January 1923) reflecting in part reinvestment by customers of funds derived during the month from maturing acceptances previously held by them; a tendency on the part of the accepting banks to improve their cash position was also a factor. Portfolios of the accepting institutions, accordingly, declined to the lowest level since September, and the liability of the banks for outstanding bills was less than for any other reporting date since June 30, 1930. These banks executed acceptances in 11½ per cent greater value during the first half of April than in the corresponding weeks of March. Increased financing by means of acceptance credits was reported for packing-house products, sugar, iron and steel, iron ore, raw furs, and seventeen other commodities, while borrowing declined for grain, coal, machinery, coffee, canned goods, and ten other lines.

TRANSACTIONS IN BANKERS' ACCEPTANCES AS REPORTED BY A SELECTED LIST OF ACCEPTING BANKS IN THE SEVENTH DISTRICT

PER CENT CHANGE IN MARCH 1931 FROM FEBRUARY 1931 MARCH 1930

Total value of bills accepted.....	+21.3	-24.1
Purchases.....	+25.3	-26.7
Sales.....	+128.8	+11.8
Holdings*.....	-54.5	-28.8
Liability for outstandings*.....	-4.6	-16.3

*At end of month.

SECURITY MARKETS

Moderate activity prevailed in the Chicago bond market during March, with deliveries to banks and institutions in about the same volume as last year, although a falling-off in deliveries to individual investors was noted. Demand has continued to favor issues of the highest grade, with some preference shown for utilities, industrials, and rails. Bond prices were firm during most of the month, and on several of the outstanding securities advanced somewhat. In the latter part of the month, however, and the first two weeks of April, prices began to drop from previous levels, the result in large measure of uncertainty in the speculative market. The volume of new issues offered in March, though not quite so large as in previous months, was reported as being favorably

CONDITION OF REPORTING MEMBER BANKS, SEVENTH DISTRICT

(Amounts in millions of dollars)

	CHANGE FROM		
	APRIL 15 1931	MARCH 18 1931	APRIL 16 1930
Total Loans and Investments.....	\$3,347	\$ +9	\$ +90
Loans on Securities.....	1,183	+18	-121
All Other Loans.....	1,169	-16	-117
Investments.....	995	+7	+328
Net Demand Deposits.....	1,821	+19	-85
Time Deposits.....	1,352	+44	+142
Borrowings from Federal Reserve Bank.....	2	-1	-6

VOLUME OF PAYMENT BY CHECK, SEVENTH DISTRICT

(Amounts in millions of dollars)

	PER CENT OF INCREASE OR DECREASE FROM		
	MAR. 1931	FEB. 1931	MAR. 1930
Chicago.....	\$3,152	+16.4	-27.6
Detroit, Milwaukee, and Indianapolis.....	1,328	+24.6	-15.2
Total four larger cities.....	\$4,480	+18.7	-24.3
34 smaller centers.....	804	+14.1	-20.6
Total 38 centers.....	\$5,284	+18.0	-23.8

received. Some strength was shown in foreign bonds during the month. Prices on the Chicago Stock Exchange continued to move within a narrow range during most of March; in the latter part of the month and the first half of April, however, a slight downward tendency developed. The average price of twenty leading stocks* on April 17 amounted to \$85.71, representing a drop of more than eight dollars from the corresponding day a month previous.

* Chicago Journal of Commerce.

Agricultural Products

Winter wheat production in the five states including the Seventh Federal Reserve district is estimated by the United States Department of Agriculture as 87,000,000 bushels, based on the April 1, 1931 condition, as compared with the 95,077,000 bushels harvested in 1930. The decline is due entirely to a reduction in acreage from the preceding year, as the abandonment has been very light this spring and the crop is in exceptionally fine condition. March 1 intentions of farmers indicated some increase in 1931 over last year in the acreage planted to potatoes, barley, and corn, and a slight reduction for hay, sweet corn, and dry beans. The oats acreage remains about the same as in 1930, but a gain of 30 per cent is shown for soy beans and a decrease of 25 per cent for spring wheat. Surface soil is reported as having been greatly improved in moisture content by recent rains, but there is a decided deficiency of moisture in the subsoil; the latter condition is not regarded as serious, however, providing that normal rainfall is received during the remaining spring months. Plowing and other farm work have made excellent progress because of the favorable weather; the seeding of oats and barley is nearing completion throughout the five states of the district. Reports of the Department of Agriculture show a reduction in cattle feeding operations in this area as compared with a year ago.

The Government figures place the 1931 crop of winter wheat in the United States at 643,920,000 bushels, or nearly 100 million bushels more than the five-year average and 40 million bushels greater than the 1930 harvest.

GRAIN MARKETING

Receipts of wheat at primary markets in March exceeded the volume for that month during the previous ten years, and contrary to the usual trend, were slightly larger than in February. March shipments showed the usual increase over February, totaling larger than last March and the five-year average for the month. Announcement that stabilization operations would cease with the coming of the new crop, which it is estimated will be exceptionally large, encouraged marketing of large quantities of wheat earlier than usual. The increase in the United States visible supply of wheat continued during March, the figure for the end of the month being the largest on record with the exception of the period between September 15 and October 15, 1930; a decline followed during the first two weeks of April. Exports improved in March over the extremely low February figure, but totaled only half the volume for the same four weeks of 1930. Marketing of corn and oats continued small in March, although shipments increased somewhat over February.

Grain future transactions at Chicago reflected the size of available supplies, wheat sales being larger than in

either January or February, while corn trading was less than in recent months. Cash wheat prices were steady during March and gained about 3 cents a bushel in the first half of April; corn and oats averaged a little lower than in February.

MOVEMENT OF LIVE STOCK

The volume of live-stock receipts at public stock yards in the United States reflected seasonal marketing tendencies during March, with the number of cattle, calves, and lambs greater and that of hogs smaller than in the preceding month. Cattle and hog receipts were reduced approximately 2½ per cent from last March; the recession in these marketings from the five-year average was less marked for cattle but larger for hogs than had been evidenced in either previous month of 1931. Lamb receipts fell below the corresponding period of 1930 for the first time this year, though exceeding the 1926-30 average for the month by 25 per cent.

Reshipments of cattle to feed lots continued to be at a low level during March; those of lambs remained larger than in 1930, but totaled a little smaller than the usual volume for the month.

MEAT PACKING

March production at slaughtering establishments in the United States aggregated 5½ per cent less than in the preceding month but 7 per cent heavier than a year ago. Payrolls at the close of March also reflected a reduction from February of 4 per cent in number of employees, 3 per cent in hours worked, and of 3½ per cent in wage payments. Sales billed to domestic and foreign customers totaled one per cent greater in value than in February, but were 23 per cent under last March, the latter decline being principally due to lower prices than in 1930. Domestic demand for a number of the commodities showed some improvement in March over the earlier month. Prices of most pork products averaged higher than in February, beef and veal in general tended slightly downward, and there was a decline in quotations for sweet pickled pork and smoked meats; lamb prices remained practically unchanged. Inventories of packing-house commodities in the United States decreased slightly on April 1 and were below the 1926-30 average for that date, though continuing somewhat in excess of a year ago. A fair trade was reported in domestic markets early in April.

Shipments for export declined in March from February, owing to a reduction in European demand for lard following rather liberal purchases of that commodity during the earlier month when prices were at a low level. A fair tonnage of lard was moved to Europe on consign-

LIVE STOCK SLAUGHTER (In thousands)

	CATTLE	HOGS	LAMBS AND SHEEP	CALVES
Yards in Seventh District,				
March 1931.....	194	750	296	123
Federally Inspected Slaughter,				
United States				
March 1931.....	635	3,523	1,324	416
February 1931.....	559	4,142	1,223	353
March 1930.....	615	3,392	1,358	388

AVERAGE PRICES OF LIVE STOCK (Per hundred pounds at Chicago)

	WEEK ENDED APRIL 18 1931	MARCH 1931	MONTH OF FEBRUARY 1931	MARCH 1930
Native Beef Steers (average)...	\$7.60	\$8.35	\$8.35	\$12.35
Fat Cows and Heifers.....	6.10	6.20	5.70	8.75
Calves.....	7.50	7.20	8.50	11.20
Hogs (bulk of sales).....	7.30	7.45	7.10	10.20
Yearling Sheep.....	7.35	7.40	7.10	8.40
Lambs.....	9.00	8.30	8.15	10.20

ment terms, in anticipation of the advance in freight rates from Chicago to New York, effective April 1. Foreign trade for current-delivery meats remained light throughout the month, although in the United Kingdom a fair demand was reported for certain cuts. British importers have entered into a number of contracts with United States firms for hams to be delivered during the summer. Consignment inventories of packing-house commodities already abroad or in transit from the United States were reported as moderate on April 1. Prices in Europe ruled somewhat under the Chicago parity.

DAIRY PRODUCTS

Creamery butter production in the Seventh Federal Reserve district continued during March at slightly above the usual level for the month, recording a seasonal expansion of 15 per cent over February and an increase of 16½ per cent over the corresponding period of 1930. The sales tonnage of the district exceeded that of February by 1½ per cent, which is a smaller gain than is usual for March, and was 3½ per cent above a year ago. Production of the commodity in the United States as a whole exceeded that of last March, and consumption was maintained at a high level. Inventories were lower; storage holdings of creamery butter in the United States decreased more than a seasonal amount on April 1 from a month earlier, and the 5½ million pound gain over the five-year average was smaller than evidenced on any other reporting date thus far in 1931. March prices averaged higher than those of February, but quotations again eased during the early part of April.

American cheese manufacturing in Wisconsin expanded 16 per cent during the four weeks ended March 28 over the preceding period, while distribution from primary centers of the state increased 14 per cent and exceeded current cheese production by 2 million pounds. The decrease of 2½ per cent from a year ago in each of these items was less than evidenced during either earlier period of 1931, and the gain over February was more than seasonal, low prices having tended to stimulate consumer demand. Total inventories of cheese in the United States were reduced by approximately 7½ million pounds on April 1 from the beginning of March, and were only 3 million pounds in excess of the 1926-30 average, as compared with an increase of 4 million pounds shown in this comparison during January and February. Quotations declined to the lowest level of any month in years.

Industrial Employment Conditions

Further improvement occurred during March in employment and earnings of reporting manufacturing establishments in this district. The gain in the total for ten groups was about the same as that shown in February, and sufficient to offset slight declines in the non-manufacturing totals, giving rise to the first gain in aggregate employment of all groups since September 1929.

Seven manufacturing groups and construction work contributed to the aggregate gain. Six of these groups were included in the February increases, namely, rubber, leather, vehicles, textiles, metals, and lumber, while seasonal expansion in stone, clay, and glass products added this group to those showing increases. Construction work, which has contributed heavily to the falling-off in non-manufacturing aggregates, recovered moderately after having declined continuously for seven months in both number of men and pay rolls.

Further recessions took place in paper and printing, food products, merchandising, and public utilities. The chemicals group lost some of the increase shown in February in both employment and total wages; coal mining reduced the number of men employed, although pay rolls increased as a result of fuller operating schedules.

Improvement in the farm labor situation was registered on April 1 in comparison with January 1 by the report of the Department of Agriculture, which shows increased demand and smaller supply in all states of this district. Reduction in the ratios of applicants to jobs available at free employment offices in all states except Iowa probably is indicative of the spring migration of casual labor from the industrial towns which predominate in the figures for the eastern states of this district.

REGISTRATIONS PER 100 POSITIONS AVAILABLE AT FREE EMPLOYMENT OFFICES

MONTH	ILLINOIS	INDIANA	IOWA	WISCONSIN
1931 March.....	228	116	513	197
February.....	250	123	471	250
1930 March.....	209	136	329	177
February.....	246	181	471	186

Manufacturing

AUTOMOBILE PRODUCTION AND DISTRIBUTION

March output of passenger automobiles in the United States, numbering 230,837, totaled the heaviest since last June and showed the fourth successive monthly increase with a gain of 28 per cent over February. The total was 30 per cent below last March, however, and 55 per cent under the same month of 1929, representing the lowest figure for any March since 1922. Truck production followed the trend of passenger cars, the aggregate of 45,096 increasing 14 per cent over the preceding month, but declining 28 and 37 per cent from March 1930 and 1929, respectively.

A further gain took place during March in Midwest distribution of automobiles, although the expansion in sales was less than usual for the season and both retail and wholesale distribution totaled considerably below last March which in turn compared unfavorably with March 1929. Stocks of new cars at the end of the month were heavier than a month previous but much smaller than a

EMPLOYMENT AND EARNINGS—SEVENTH FEDERAL RESERVE DISTRICT

INDUSTRIAL GROUP	WEEK OF MARCH 15, 1931			CHANGES FROM FEBRUARY 15	
	REPORTING FIRMS NO.	WAGE EARNERS NO.	EARNINGS ('000 OMITTED) \$	WAGE EARNERS %	EARNINGS %
Metals and Products ¹	677	187,495	4,649	+0.5	+1.3
Vehicles.....	134	211,604	6,023	+2.6	+10.4
Textiles and Products.....	159	31,577	652	+1.5	+4.4
Food and Products.....	389	56,366	1,380	-2.2	-4.8
Stone, Clay, and Glass.....	145	11,135	267	+4.0	+2.7
Lumber and Products.....	316	33,442	640	+0.5	+0.3
Chemical Products.....	90	17,325	477	-1.9	-0.8
Leather Products.....	73	15,882	299	+3.2	+5.1
Rubber Products ²	9	6,229	183	+6.8	+24.7
Paper and Printing.....	304	39,682	1,173	-3.0	-3.3
Total Mfg., 10 Groups....	2,296	610,737	15,743	+0.9	+4.0
Merchandising ³	184	31,196	2,887	-0.3	-4.2
Public Utilities.....	76	90,043	806	-0.2	-0.4
Coal Mining.....	32	9,485	251	-1.6	+10.3
Construction.....	188	6,790	176	+5.8	+32.4
Total Non-Mfg., 4 Groups.	480	137,514	4,120	-0.1	-1.5
Total, 14 Groups.....	2,776	748,251	19,863	+0.7	+2.8

¹Other than Vehicles. ²Michigan and Wisconsin. ³Illinois and Wisconsin.

year ago. Used car sales increased to a greater degree than did those of new cars at retail, though likewise declining from March 1930; salable used cars on hand were reduced somewhat from those held at the end of February and were considerably less than on the same date last year. Deferred payment sales in March constituted 48 per cent of the total retail sales of thirty-one dealers reporting the item, which compares with a ratio of 44 per cent in February and 52 per cent a year ago.

IRON AND STEEL PRODUCTS

Further seasonal improvement took place during March in the steel business of the Chicago district, and mill operations the middle of the month were averaging 62 per cent of capacity. The establishment of higher prices on bars, plates, and shapes, effective April 1, stimulated buying for the second quarter toward the latter part of the month, but specifications and operations were declining slightly by that time, and at the middle of April the rate of steel ingot output had receded to 55 per cent of capacity. Greater activity in the automobile industry and some improvement in building construction have been encouraging factors in the market. Pig iron production in the Illinois and Indiana district again expanded in March, the daily average of 14,621 tons being the largest of any month since last August, though only about two-thirds that of March last year. The Chicago scrap iron and steel market has been dull, with prices showing little change.

Shipments and production of steel and malleable castings by reporting foundries in the Seventh Federal Reserve district expanded in March for the fourth successive month, in conformity to the usual seasonal trend. The tonnage shipped by malleable foundries was the heaviest since last June and that by steel foundries the largest since September. Despite this continued improvement operations were in only about half the volume of March 1930. Orders booked for steel castings fell off slightly during the month and totaled 75 per cent less than a year ago, while those for malleable castings increased somewhat over the preceding month but were almost 50 per cent smaller than those booked last March. Shipments of stoves and furnaces by reporting firms increased as is usual in March, though totaling 16 per cent under a year ago; orders booked gained in both comparisons, the increase over last March, however, being due to large orders received by one or two companies; production showed little change during the month and was about one-fourth less than in the corresponding month of 1930.

FURNITURE

Seventh district furniture manufacturers booked orders during the month of March aggregating 5 per cent in

excess of those in February and shipped a volume 11 per cent greater. These increases were seasonal, comparing with average increases for the period of 2 per cent and 12 per cent, respectively. The volume of unfilled orders outstanding at the close of the month dropped, however, standing at only 75 per cent of orders booked during the month as compared with 95 per cent a month previous; partly responsible was a heavy volume of cancellations during March. As compared with a year ago, orders were 14 per cent smaller, shipments 24 per cent, and unfilled orders 11 per cent. Cancellations alone totaled heavier—61 per cent. The rate of operations maintained during the month averaged 53 per cent of capacity as compared with 51 per cent in February and 62 per cent a year ago.

SHOE MANUFACTURING, TANNING, AND HIDES

The manufacturing operations of shoe factories in the Seventh Federal Reserve district continued to expand in March over the exceptionally low level of January, but were 25 per cent below the usual average for the month, and the gain of 13 per cent in production over February was seasonal. Leather tanning continued to trend upward and remained above a year ago. The total value of sales of leather billed to customers also increased over February but failed to equal that of last March, owing to lower prices in 1931 than in 1930. March quotations remained steady in comparison with those of a month earlier.

Chicago trading in packer green hides and calf skins declined in March from the preceding period, but shipments from the city and purchases by district tanneries were greater than in February. Prices advanced.

Building Material, Construction Work

The expansion over recent months, which occurred during March in practically all lines of building materials in the Seventh district, was seasonal in character and not indicative of a recovery. Demand continued small, the increase in sales being stimulated by favorable weather in most sections. Farmers' requirements for lumber, brick, and tile were restricted by uncertainty with regard to farm income; general construction work was limited to some residential building and repair and government projects, including road work; and industrial consumption of hardwoods was only fair.

Dollar value of sales by reporting wholesalers of lumber showed practically no change from February. With prices unstable or declining, retailers and large purchasers were not buying for future needs; hence, wholesalers'

MIDWEST DISTRIBUTION OF AUTOMOBILES
Changes in March 1931 from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED
	FEBRUARY 1931	MARCH 1930	
New Cars			
Wholesale—			
Number Sold.....	+16.3	-37.5	25
Value.....	+19.0	-40.5	25
Retail—			
Number Sold.....	+9.5	-41.4	51
Value.....	+6.1	-38.1	51
On Hand March 31—			
Number.....	+14.5	-29.2	52
Value.....	+9.6	-28.7	52
Used Cars			
Number Sold.....	+16.4	-19.9	52
Salable on Hand—			
Number.....	-4.6	-34.3	52
Value.....	-3.2	-40.7	52

WHOLESALE AND RETAIL LUMBER TRADE

CLASS OF TRADE	MARCH 1931: PER CENT CHANGE FROM		NUMBER OF FIRMS OR YARDS
	FEB. 1931	MARCH 1930	
Wholesale Trade:			
Sales in Dollars.....	+0.2	-35.8	13
Sales in Board Feet.....	-6.6	-33.6	11
Accounts Outstanding ¹	+0.0	-15.5	10
Retail Trade:			
Sales in Dollars.....	+27.4	-28.6	198
Sales in Board Feet.....	+23.3	-16.0	34
Accounts Outstanding ¹	+2.8	-2.8	190
Ratio of accounts outstanding ¹ to dollar sales during month			
	MARCH 1931	FEB. 1931	MARCH 1930
Wholesale Trade.....	187.7	180.9	138.3
Retail Trade.....	404.5	471.8	305.6

¹End of Month.

stocks continued higher than a year ago. The lumber movement at Chicago in March was about one-half the five-year average for the month and considerably under the small volume of March 1930. For the first quarter of 1931, compared with the same period of 1930, an even greater loss was shown.

Retail building materials moved in much larger volume than in February, which was the lowest month on our records. Prices at retail suffered further declines at points in this district, and many lumber yards, in view of the uncertain demand, were carrying from 10 to 30 per cent smaller stocks than a year earlier.

Midwestern cement production in the first quarter of 1931 was about half the average for the same period in the past five years, but shipments have held up somewhat better, so that stocks at the end of March did not greatly exceed the average for that date and were even smaller than a year previous. February distribution in the five states including the Seventh district totaled about 65 per cent of the large volume in February 1930. Clay-products manufacturers at the end of March were carrying large stocks relative to current demand, and many plants were shut down, while others operated at 50 to 80 per cent of capacity. Prices for cement and brick have continued low, but have shown more stability than materials in general.

BUILDING CONSTRUCTION

Seasonal expansion in building activity was reflected in contracts awarded in the Seventh Federal Reserve district during March, both residential and total contracts recording decidedly larger gains than usual for the month. The current volume, though remaining below the level of a year ago, showed the smallest declines in the comparison since the end of 1929.

**BUILDING CONTRACTS AWARDED*
SEVENTH FEDERAL RESERVE DISTRICT**

PERIOD	TOTAL CONTRACTS	RESIDENTIAL CONTRACTS
March 1931.....	\$69,099,402	\$15,139,296
Change from February 1931.....	+138%	+126%
Change from March 1930.....	-6%	-8%
First three months of 1931.....	\$129,876,568	\$28,287,221
Change from same period 1930.....	-14%	-22%

*Data furnished by F. W. Dodge Corporation.

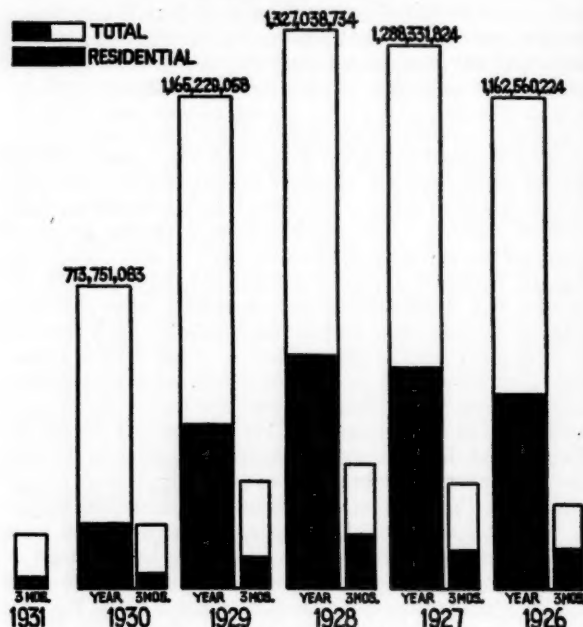
A total of 5,171 permits was issued during March in 103 cities of the Seventh district, representing an estimated cost of proposed work of about 28 million dollars. This rather large volume of estimated valuation, while showing a seasonal increase of 68 per cent over the February figure, also registered a gain of 20 per cent over a year ago, the permit issued for a large office building in the city of Chicago being responsible for this latter increase. The number of permits issued in reporting cities

WHOLESALE TRADE IN MARCH 1931

COMMODITY	PER CENT CHANGE FROM SAME MONTH LAST YEAR				RATIO OF ACCTS. OUTSTANDING TO NET SALES
	NET SALES	STOCKS	ACCTS. OUTSTAND.	COLLEC- TIONS	
Groceries.....	-9.4	-8.5	-8.2	-8.1	96.3
Hardware.....	-32.7	-14.2	-18.3	-30.0	260.6
Dry Goods.....	-22.6	-34.5	-29.5	-22.6	309.4
Drugs.....	-15.4	-13.5	-7.4	-15.6	149.7
Shoes.....	-21.0	-27.2	-8.1	-30.2	412.2
Electrical Supplies.....	-38.9	-15.4	-31.5	-33.5	165.8

of the district gained 41 per cent over the preceding month, but totaled 48 per cent below March 1930.

**BUILDING CONTRACTS AWARDED IN THE
SEVENTH DISTRICT**



Data furnished by F. W. Dodge Corporation.

Merchandising

The gains shown during March over February in reporting lines of wholesale trade were seasonal in character, and those in most groups failed to equal the eight-year average for the month, with electrical supplies recording a slight decline instead of the usual expansion in sales. Dry goods furnished an exception with a 26 per cent increase over February, and the 13 per cent gain in the wholesale grocery trade was a little better than average for this season, but the increases of 33 per cent in hardware, of 5 per cent in drugs, and of 49 per cent in shoes were smaller than usual. Declines from a year ago, which may be noted in the table, totaled less than in a similar comparison for February in the dry goods and shoe trades, while those in groceries, hardware, drugs, and electrical supplies were larger than a month previous. First-quarter sales in the various groups showed declines from the corresponding period of 1930 as follows: groceries, 10½ per cent; hardware, 31 per cent; dry goods,

DEPARTMENT STORE TRADE IN MARCH 1931

LOCALITY	PER CENT CHANGE MARCH 1931 FROM MARCH 1930		PER CENT CHANGE FIRST QUARTER 1931 FROM SAME PERIOD 1930		RATIO OF MAR. COL- LECTIONS TO ACCOUNTS OUTSTANDING FEB. 28	
	NET SALES	STOCKS END OF MONTH	NET SALES		1931	1930
Chicago.....	-8.5	-13.1	-9.2		30.1	30.3
Detroit.....	-7.4	-16.7	-10.0		35.3	37.6
Indianapolis..	-1.8	-23.1	-4.4		41.5	39.2
Milwaukee...	-2.5	-6.5	-7.7		34.1	35.6
Other Cities..	-12.7	-16.9	-8.5			
7th District..	-7.9	-14.6	-8.8		35.0	36.1

25 per cent; drugs, 12 per cent; shoes, 18 per cent; and electrical supplies, 35 per cent.

Seventh district department store trade in March reflected seasonal factors and the larger number of trading days than a month previous. The gain of 17 per cent over February in aggregate sales of 109 stores was greater than the 11 per cent expansion shown for the same month last year when Easter came at a later date with the preponderance of Spring buying falling in April, but was somewhat smaller than the average for the month. The volume of trade varied considerably among the larger cities of the district, sales by reporting stores in Indianapolis gaining 29 per cent over February and those in Milwaukee 25 per cent, while Chicago and Detroit stores recorded increases of only 13 and 18 per cent, respectively; stores in smaller cities showed an aggregate expansion of 17 per cent. About 15 per cent of the reporting firms sold a larger dollar volume of merchandise in March this year than a year ago; totals for Chicago and Detroit continued to show greater declines in this comparison than did those for Milwaukee and Indianapolis where decreases were small. District sales declined 8 per cent from a year ago and for the first quarter of 1931 totaled 9 per cent less than in the corresponding three months of 1930. Stocks increased in about the usual seasonal amount over the end of February but were much smaller than on March 31 last year.

Sales of shoes at retail, though expanding 30 per cent in March over February, showed a smaller increase for the month than in any of the past five years except 1930,

and the aggregate for reporting dealers and department stores declined 2 per cent from March last year, despite gains recorded by a large number of department stores. The dollar volume sold in the first quarter of 1931 totaled 3 per cent below the same period a year ago, which is a smaller decline, however, than shown in most other reporting merchandising lines. Stocks on hand the end of March exceeded those of a month previous by 10 per cent, but were 8 per cent smaller than on the corresponding date last year.

A gain of 12 per cent over the preceding month was recorded during March in sales of furniture and house furnishings by reporting dealers and department stores of the district, but the volume aggregated 13 per cent under a year ago; installment sales by dealers totaled 6 and 23 per cent smaller in the respective comparisons. An increase of 4 per cent was shown in stocks on hand March 31 over the end of February; they remained considerably lighter than in 1930.

Most reporting groups of chain store trade, which include groceries, drugs, five-and-ten-cent stores, furniture, cigars, musical instruments, and men's and women's clothing, had larger sales in March than a month previous, both aggregate and average sales per store increasing 10 per cent over February. With the exception of a small gain in the total of drug sales, continued declines from a year ago were general; aggregate sales were less by 6 per cent in this comparison and average sales per store 8 per cent smaller.

MONTHLY BUSINESS INDICES COMPUTED BY FEDERAL RESERVE BANK OF CHICAGO

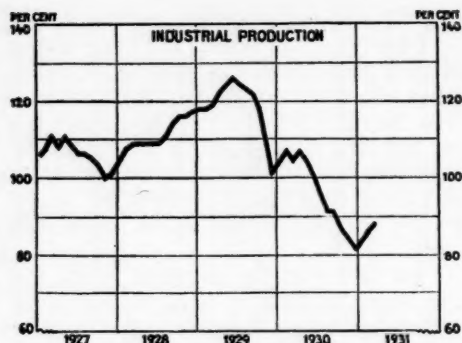
(Index numbers express a comparison of unit or dollar volume for the month indicated, using the monthly average for 1923-1924-1925 as a base, unless otherwise indicated. Where figures for latest month shown are partly estimated on basis of returns received to date, revisions will be given the following month. Data refer to the Seventh Federal Reserve District unless otherwise noted.)

	No. of Firms	Mar. 1931	Feb. 1931	Jan. 1931	Dec. 1930	Nov. 1930	Oct. 1930	Mar. 1930	Feb. 1930	Jan. 1930	Dec. 1929	Nov. 1929	Oct. 1929
Meat Packing—(U. S.)—													
Sales (in dollars).....	63	79	78	84	85	89	105	103	109	113	104	111	129
Casting Foundries—													
Shipments:													
Steel—In Dollars.....	15	44	40	34	31	32	42	86	77	80	84	79	87
In Tons.....	15	43	41	34	30	30	42	92	78	84	93	86	92
Malleable—In Dollars.....	23	35	31	30	27	25	31	72	73	69	60	60	73
In Tons.....	23	54	46	45	40	36	44	102	103	98	83	81	99
Stoves and Furnaces—													
Shipments (in dollars).....	11	81	69	50	86	118	200	96	86	78	125	167	256
Furniture—													
Orders (in dollars).....	25	58	55	68	41	51	61	68	68	103	55	86	112
Shipments (in dollars).....	25	62	57	38	43	52	81	82	81	62	80	98	149
Flour—													
Production (in bbls.).....	26	93	94	101	100	103	118	97	97	108	92	97	123
Output of Butter by Creameries—													
Production.....	67	102	89	93	91	78	94	88	81	84	82	81	96
Sales.....	69	95	94	95	99	94	96	92	81	94	86	88	92
Wholesale Trade—													
Net Sales (in dollars):													
Groceries.....	31	85	76	83	87	86	104	94	84	94	91	101	113
Hardware.....	14	55	41	42	59	63	88	82	61	58	76	92	112
Dry Goods.....	9	51	41	42	51	55	71	67	58	55	66	78	97
Drugs.....	14	86	82	88	84	83	101	100	91	97	96	100	113
Shoes.....	8	58	39	34	45	63	83	73	51	35	57	69	98
Retail Trade (Dept. Stores)—													
Net Sales (in dollars):													
Chicago.....	26	82	73	79	165	99	110	90	82	87	188	126	126
Detroit.....	5	109	95	87	184	121	118	119	104	101	222	161	152
Indianapolis.....	5	88	68	80	154	97	98	90	77	83	172	120	113
Milwaukee.....	5	93	75	85	167	111	116	95	84	94	184	137	131
Other Cities.....	50	79	68	72	146	96	103	90	74	73	160	114	110
Seventh District.....	91	88	76	80	165	104	110	96	85	88	188	131	128
Automobile Production (U. S.)—													
Passenger Cars.....		79	62	47	42	35	40	114	96	80	31	57	109
Trucks.....		120	105	89	84	90	102	167	129	98	73	128	161
Building Construction—													
Contracts Awarded (in dollars):													
Residential.....		52	23	22	20	36	42	56	33	34	38	66	89
Total.....		101	42	46	51	58	77	108	56	58	110	85	122
Iron and Steel—													
Pig Iron Production:*													
Illinois and Indiana.....		84	78	72	72	76	79	129	127	109	113	124	132
United States.....		67	62	56	55	63	71	107	103	93	93	108	118
Steel Ingot Production—(U. S.)*.....		87	79	69	58	67	76	124	128	106	87	102	126
Unfilled Orders U. S. Steel Corp.....		84	83	87	83	76	73	96	94	94	93	86	86

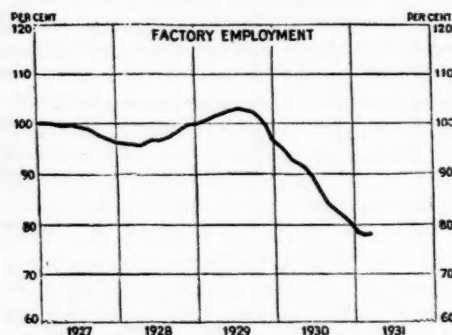
*Average daily production.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

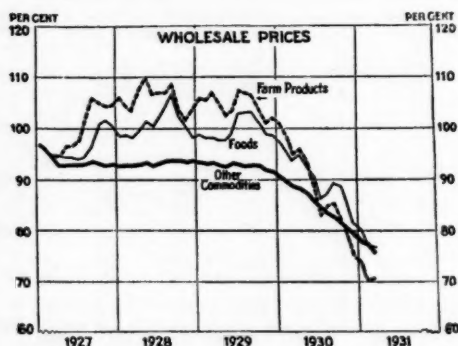
(By the Federal Reserve Board)



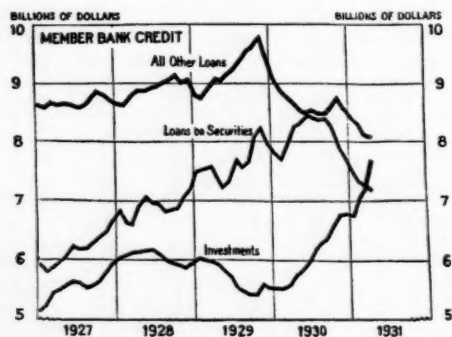
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



Federal Reserve Board's index of factory employment, with adjustment for seasonal variation. (1923-1925 average = 100.)



Indexes of the United States Bureau of Labor Statistics (1926 = 100).



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures, averages of first 3 weeks in April 1931.

FURTHER increase in industrial activity was reported for the month of March which usually shows little change from February. Factory employment and pay rolls increased by the usual seasonal amount between the middle of February and the middle of March. The volume of building contracts awarded in March showed considerable growth, largely of a seasonal nature. The general level of wholesale prices continued to decline.

PRODUCTION AND EMPLOYMENT

Industrial production increased 2 per cent further in March, and the Federal Reserve Board's seasonally adjusted index stood at 88 per cent of the 1923-1925 average, compared with 104 per cent in March 1930. There was a considerable increase in daily average output of steel, which ordinarily shows little change from February to March, while production of automobiles increased by about the usual seasonal percentage, activity at cotton mills increased slightly contrary to the ordinary seasonal movement, and there was a substantial increase in output of shoes. In the first half of April steel mill activity declined.

The number of men employed at factories increased between the middle of February and the middle of March by about the usual seasonal amount. In the iron and steel and automobile industries somewhat larger than usual increases were shown and at textile mills and shoe factories, where the number employed ordinarily declines in March, substantial increases in employment were reported. In the agricultural machinery and petroleum refining industries and at carbuilding shops employment declined contrary to the usual seasonal trend, and in the automobile tire and fertilizer industries employment increased less than usual.

Volume of building contracts awarded in March increased considerably from February, according to the F. W. Dodge Corporation, reflecting in large part developments of a seasonal character. Contracts for residential building increased seasonally and were in about the same volume as a year ago, while contracts for public works and utilities rose to the high level of March 1930.

AGRICULTURE

Definite improvement in moisture conditions in the drought area was an important development in March and the first week of April; supplies of moisture in the topsoil have been replenished, but the subsoil continued to be dry in certain areas, particularly in the spring wheat belt. Department of Agriculture estimates, based on April 1 conditions, indicate a winter wheat crop of 644,000,000 bushels, about 100,000,000 bushels larger than the five-year average and 40,000,000 more than last year. Intentions to plant, as reported March 1, indicate a considerable reduction in spring wheat acreage and an increase in acreage to be planted to corn.

DISTRIBUTION

Volume of freight carloadings increased seasonally in March and department store sales increased during the Easter season by about the usual amount.

PRICES

The general level of wholesale commodity prices continued to decline in March, according to the Bureau of Labor Statistics, reflecting chiefly reductions in the prices of petroleum products, bituminous coal, and textile products. Prices of farm products increased slightly, and there was a substantial advance in the price of hides. In the first half of April, prices of many commodities including cattle, cotton, rubber, and coffee declined, while the price of wheat advanced.

BANK CREDIT

Loans and investments of member banks in leading cities, which had increased in the middle of March as the result of Treasury operations, showed a decline for every week between March 18 and April 8, but on the latter date were still \$270,000,000 larger than four weeks earlier. Investment holdings of these banks were at a new high figure on April 8, owing largely to an increase in their holdings of United States Government obligations, while loans on securities as well as all other loans showed a decline for the four-week period. Volume of reserve bank credit has fluctuated since the middle of February around a level of \$925,000,000. Continued imports of gold, deposited by member banks with the reserve banks, have provided the member banks with sufficient funds to meet an increase in the demand for currency. United States Government security holdings of the reserve banks have remained at the level of \$600,000,000 established last summer, while discounts for member banks have continued to decline and holdings of purchased acceptances have fluctuated in response to temporary changes in the demand for reserve bank credit.

Money rates showed little change from the middle of March to the middle of April. Rates on commercial paper declined further from a prevailing rate of $2\frac{1}{4}$ per cent to a range of $2\frac{1}{4}$ - $2\frac{1}{2}$ per cent, while bond yields increased slightly.

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